

August 15, 2001

Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02114

Re: Petition of Blackstone Gas Company pursuant to General Laws Chapter 164, § 94, and 220 C.M.R. §§ 5.00 et seq., for a General Increase in Gas Rates, D.T.E. 01-50

Dear Ms. Cottrell:

On August 7, 2001, the Department of Telecommunications and Energy (“Department”) issued a memorandum seeking comments on the July 30, 2001, letter request of Blackstone Gas Company (“Blackstone”) for a waiver and/or an exemption (“Waiver Request”) from the Service Quality Standards mandated in the Department’s Order and Guidelines (“Order and Guidelines”) issued on June 29, 2001. *Investigation by the Department to Establish Guidelines for Service Quality Standards*, D.T.E. 99-84 (2001)(the “Service Quality Investigation”). The Attorney General submits this letter as his initial comments on Blackstone’s Waiver Request.

The Department has established various service quality performance categories and measures with which all gas and electric companies are required to comply. *See generally*, Order and Guidelines. Specifically, the Department has established (1) Customer Service and Billing Performance Measures; (2) Customer Satisfaction Performance Measures; (3) Staffing Level Measures; (4) Safety and Reliability Performance Measures (e.g., Lost Work-Time Accident Rate and Odor Response Time). *Id.* at Attachment 1. In its July 30, 2001 letter, Blackstone requested waivers of the Department’s Order and Guidelines in the interests of fairness and cost-effectiveness for its customers.¹ The

¹ Where Blackstone is silent or has otherwise omitted discussing its intentions to comply with other provisions of the Department’s Service Quality Guidelines, the Attorney General interprets Blackstone’s silence as an acknowledgement that it will comply with these requirements.

Company has indicated that it will be able to comply with certain of the Service Quality Standards and measures,² but is unable to comply with all of the Department's requirements.³ Waiver Request, p.1-2.

The basis of the Company's arguments in support of its request for a waiver and/or an exemption from certain of the Service Quality Standards relates to the small size of the company.⁴ A waiver of the Department's service quality requirements, however, should not be automatic simply because of the size of a company, and the quality of service afforded the customers of a gas or electric distribution company should not vary depending upon the size of the company. Accordingly, the Department should:

- Reject waivers for those Service Quality Standards unless Blackstone can demonstrate that compliance would impose an undue compliance burden upon the Company;
- Require Blackstone to provide full and complete support for any proposed deviation from the Department's Service Quality Standards and/or Guidelines; and

² Blackstone has stated that "[r]egarding the safety and reliability measures Blackstone intends to fully comply with the 95% standard for odor calls." Waiver Request, p.2. Blackstone has also expressed its intentions to adopt the customer guarantee provisions. *Id.* at p.2.

³ Blackstone has requested (1) a waiver of the Customer Service and Billing Performance Measure until such time that it has collected or otherwise compiled three years worth of data and statistics; (2) an exemption from a certain 20-second Telephone Answering Rate Measure until after three years from the time that it installs a telephone system capable of recording the required information; and (3) a waiver of a certain Safety Performance Measure—the Lost Work-Time Accident Rate Measure—on the basis that such a measure cannot validly be used by Blackstone in light of its small workforce size.

⁴ Blackstone cites its less than 10 employee workforce as grounds for a waiver from the Lost Work-Time Accident Rate Measure; its limited telephone system (two phone lines) as grounds for an exemption from the 20-second telephone answering requirement (Telephone Rate Measure); and the absence of three years worth of data and historical statistics from an apparent lack of record-keeping as grounds for a waiver from the Customer Service and Billing Performance Measure. [The Department directed all gas and electric companies to define the term of their SQ proposal as three years. Order and Guidelines, p. 42].

- Require Blackstone, if in fact compliance with an established requirement does create an undue burden, to provide alternative measures to safeguard the service quality of its customers while Blackstone undertakes to comply with the Department mandated Service Quality Standards.⁵

Sincerely,

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WB/wb

cc: Service List

⁵ For example, another Company's telephone answering, appointments met or actual billing data could be used to create a benchmark while Blackstone complies Company specific data. Even data from other service businesses can be used. The use of data from other sources could be a cost effective alternative.